Development (195) Department.

SERIES.

G.O. No. 584

Dated 6th February 1948

[Despatch Abstract.]

Industrial Tribunal on Textile Industry - Provident Fund and Gratuity - Recommendations - Papers Recorded.

Recommendation of the Industrial Tribunal on Textile Industry in the Province.

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(6) Provident Fund Provident fund must be introduced by all mills of more than five years standing. The rate of contribution should not be less than one rupee per mensem by the worker and one rupee by the management. Interest may be calculated and added at the end of every half year or the year. Payment of the amount should not depend upon either good conduct of the worker or the discretion of the employer. It is ~~felt~~ left to the disfretion of the Government to insist on a contribution of six and one fourth per cent. The Commissioner of Labour should frame rules for the maintenance of provident fund. The opening of a gratuity fund is also recommended.

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NOTE FILE

Development Department

PROVIDENT FUND.

The Industrial Tribunal has stated that only 9 out of 80 textile mills in the Province, have Provident fund Schemes. The Tribunal recommends that Provident Fund should be made compulsory to all mills of more than 5 years standing and that the rules should be subject to the approval of the Commissioner of Labour. As regards gratuity, the Tribunal is of the opinion that since it is an incentive to workers to continue in the same mill for a long period, some arraggement should be made to open a gratuity fund. The Tribunal, however, concludes by saying that the contemplated Health Insurance Scheme of the Government of India may be awaited before the details of provident fund are worked out. No action is ~~is~~ therefore called for at present. The question may be considered after the health insurance scheme comes into force and the Commissioner of Labour may now be asked to submit committee proposals after the introduction of the scheme

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1-8-47.

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The Commissioner of Labour may be asked to explore the possibility of instituting Provident and Graatuity funds in as many mills as possible and submit a report in due course.

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9-9-49.

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This may not receive ~~may supply~~ any support from mills who are claiming that the award wages are too high. But ask Commissioner of Labour by all means.

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11-9-49.

A draft ~~G.O.M.~~ O.M. to the Commissioner of Labour is submitted below for approval.

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17-9-47.

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(O .M. NO. 77919 PIV/47-1 dated 19-9-47)
(From the Commissioner of Labour No.D.Dis.7707/47 dated 12-1-48.

Please see the Commissioner's reply at pages 3-4 c.f.

As anticipated, the mill owners are not willing to take up this question at present. The Commissioner of Labour has also recommended that this question may be deferred until after the introduction of the Health Insurance Scheme of the Government of India. The Government may accept the recommendation of the Commissioner of Labour and record this reference. The question of instituting provident fund schemes for workers was considered at the recent meeting of the Industrial Committee on cotton textiles and the committees has suggested Central legislation for providing compulsory provident fund for industrial workers including workers in the textile industry to be administered by a public authority, Central or Provincial). The question of instituting Provident and Gratuity funds may be deferred for the present.

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This question was discussed in the recent Textile Committee Meeting at Delhi. The principle of provident fund organized and administered through the State was accepted in the plenary session and a draft ~~Ind~~ resolution was placed before the Committee. As the other important subjects could not be resolved by negotiation, it was decided not to put forward any resolution, but to leave all the subjects for the orders of the Government of India, Legislation as an ~~open~~ all - India basis is the likely result. We need not anticipate Government of India and may await their decision.

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24-1-47.

The papers may be recorded in a G.O. for reference in

G.O. 554, Dated 5-2-48.

Labour - Industrial Tribunal on Textile Industry - Provident Fund and Grautity --Recommendations Papers Recorded

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4-2-48.

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Superintendent,
7-7-1953,
MADRAS RECORD OFFICE.